



Virginia Information Technologies Agency



Legislative Update

Sam A. Nixon Jr.

Chief Information Officer of the Commonwealth

House Appropriations Committee

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Topics for Discussion

- Recent Accomplishments
- Northrop Grumman Post-Audit Agreement
- Virginia State Police Email
- FY10 Wireless E-911 Services Costs
- VITA Finances
- Legacy Rates
- Challenges



Recent Accomplishments

- Transformation: critical mass achieved
- Financial stability
- Cost savings
 - Telecommunications expense management
 - Managed services program
 - Comprehensive IT assessments (CITA)
- Revamped project management model
- New service offerings
 - Collaboration, electronic workflow tools
 - GOAL: Improve government productivity
- Improved audit results



Northrop Grumman Post-Audit Agreement

- August 25, 2010: Initial failure
 - Initial impact: 26 of 89 agencies (13 percent of servers, 30 percent of data)
- Governor McDonnell: “Independent review of information system failure and contractor response...”
 - Collaboration between Governor’s Office and legislative leaders (JLARC)
 - Northrop Grumman (NG) paid for review (\$250K)



Northrop Grumman Post-Audit Agreement – cont.

- February 15, 2011: McDonnell administration and JLARC released the results of external audit conducted by Agilysys, Inc.
 - Governor asked Secretary of Technology Jim Duffey to immediately begin discussions with senior NG management on compensation and corrective action moving forward
- May 19, 2011: Agreement reached between CoVA and NG



Northrop Grumman Post-Audit Agreement – cont.

- Two components of agreement
 - Financial restitution and operational improvements
 - Total value to CoVA is \$4.748 million
- Financial settlement
 - \$1.91 million paid out over 24 months
- Operational improvements
 - Represents \$2.09 million in additional expense by NG
 - \$750,000 for “point in time” or “snap/clone” technology to protect the data held by the state
- Deliverable: Corrective action plan
 - Addresses findings and recommendations from third-party audit report
- Certain actions already have been implemented



Implementation of Recommendations

- Address 34 findings and recommendations from the audit
- Focus on reducing the likelihood of reoccurrence
- Actions and due dates assigned; they run through March 2012
- Generally focus on internal processes and procedures
 - Amendment 60 Operational Improvements (2010) generally were more customer service focused



Summary of Corrective Actions

- Implement a system that significantly enhances data recovery capability, e.g. “snap and clone”
- Perform additional testing of core system failover and system restores
- Document IT infrastructure systems that support critical business processes
- Implement a network monitoring/reporting tool
- Improve proactive monitoring of databases
- Employ several process improvements (how the storage system is maintained, root cause analysis process, etc.)



Virginia State Police Email

- Outage began in the early morning on Thursday, April 21, 2011
 - Affected nearly all VSP email accounts
 - Partial email service restored mid-afternoon on April 21
 - Users able to send and receive email, but not access historic emails; sluggish system speed
- Full service restored early morning on Thursday, April 27
 - VSP/VITA/NG and vendor resources worked non-stop, 24 hours a day, including the Easter weekend, to restore the environment and return it to production
- The cause of the outage was hardware failure, compounded by human error



Virginia State Police Email – cont.

- This outage is very different than the August 2010 service outage; due to nature and location of VSP's email system
 - VSP's email system is a legacy system located at VSP headquarters but maintained by NG on behalf of VITA
 - VSP currently does not utilize the VITA/NG enterprise email system, networks or other infrastructure located at CESC and operated by VITA/NG
 - VSP email storage has outgrown the capacity of the old legacy hardware; the large volume of data complicated and lengthened restoration
- Corrective actions being implemented to avoid a similar outage



FY10 Wireless E-911 Services Costs

- VITA administers E-911 program at the direction of the E-911 Services Board
 - Board comprised mainly of locality representatives with role in responding to emergency calls
 - Policy and distribution of Public Safety Answering Point (PSAP) grant funds determined by board
 - VITA staff provide administrative and technical support to board
- 2005 - Board enters agreement with Verizon, saving PSAPs 30 percent
 - Agreement covers costs for wireless E-911 services provided by Verizon
- Original 5-year agreement expired June 30, 2009



FY10 Wireless E-911 Services Costs – cont.

- Several issues, including prolonged negotiations, prevented a new agreement until FY2011
- Bottom Line: No payment made for FY2010 since no agreement, but Verizon continued to provide the service
- Verizon agreed to reduce amount due 50%
- April 2011: Verizon submitted invoices directly to each locality for the services
- May 2011: the board adopted a process to pay the FY2010 bills using PSAP grant funds
 - No locality funds will be used to pay for FY2010 services



VITA Finances - Background

- VITA – primarily Internal Service Funds agency
 - Less than 1 percent of budget is direct general funds
- Under-recovered \$56 million between FY2007-FY2010
 - Average \$14 million per year
 - Treasury loan needed to meet obligations
- July 1, 2010 - Significant revision of Commonwealth IT rates
 - Adjusted for re-baselining and revised contract with NG
 - Rate structure aligns with vendors' fees for services
 - Replaced previous rate structure
 - Approved by JLARC, meets state and federal guidelines
 - Subject to federal audit and review



VITA Finances - Current

- Positive net income for the first time since FY2005
- New rates are working, however, repayment of treasury loan is slower than anticipated
 - Still addressing some structural issues with rates
 - e.g., fluctuating quantities of IT assets
 - Modest rate adjustment will be necessary to compensate for slower repayment of treasury loan; will be much smaller than July 1, 2010 rate change
- Rates will need to be adjusted annually to reflect changes in environment, usage and cost of living adjustments



Legacy Rates – Transformation Update

Overall status as of June 15, 2011	
Total	89
Complete	80
Remaining	*9
*DOC, DMV, VDOT, VDOA, DMAS, DFS, VDEM, VEC, VSP	



Legacy Rates - Background

- Transformation is the centralized monitoring, management and support of infrastructure for Executive Branch agencies
 - Includes several towers
 - Computers, email, help desk, network and servers now managed by partnership
 - Regional support model
 - Hardware refresh
 - Security and network monitoring
 - 24 x 7 x 365
 - Standard IT support processes
 - Standard toolsets installed on computers/servers
- Legacy rates are the fees paid by agencies that did not transform by 12/31/2010
 - Introduced in Amendment 60 (2010)



Challenges: Near Term

- Completing transformation
- Improving customer satisfaction
- 2011 “To-dos”
 - Major contracts (telecom, Virginia Interactive)
 - Non-standard devices
 - Email archiving
- Continuity of operations
- Legacy telephone service
- E-911



Questions?

Samuel A. Nixon Jr.
sam.nixon@vita.virginia.gov
(804) 416-6004



General Themes

- Process and Procedures
 - Communications
 - Incident management
- Monitoring
 - Database
 - CMDB or dependency correlation
- Database support improvements
 - Synchronized backup processes
 - Standard back up processes
- Storage subsystem management improvements
 - Maintenance approach
 - SRDF start/stop
- Other
 - Facilities, network, etc.
 - New services – snap and clone



Operational Improvement Initiatives

Initiative	Overall Status				Comments
	Implementation Status	In Service	Presentation	Potential Withhold	
Rapid Response Team		Y	22-Sep	\$0	VITA approved in September
Inventory/Billing Disputes		Y	22-Sep	\$0	VITA approved in October
Laptop/Desktop Depot Service		Y	30-Sep	\$0	VITA approved in October
Expedited Shipping for Replacement Laptop/Desktop		*	27-Oct	\$0	VITA approved in November
Work Request Process & Tech Architecture/ Solutioning Re-Design		Y	27-Oct	\$0	VITA approved in November
Agency Tech Lead Empowerment		Y	17-Nov	\$0	VITA approved in December
Help Desk Re-Design		Y	10-Nov	\$0	VITA approved in November
Storage Management		Y	22-Dec	\$0	VITA approved in December
Inventory Errors			February 2011	\$500K	Data collection and review on-going.
Work Request and Procurement Processing Times			February 2011	\$500K	
				\$1M	

	Completed & VITA approved
	On schedule
	Intermediate task delay

* New service being offered to VITA